GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:522
ANSWERED ON:20.02.2003
WORLD BANK LOAN TO MUTP PROJECTS
DR. KIRIT SOMAIYA

Will the Minister of RAILWAYS be pleased to state:

(a) Whether the World Bank has released the first installment of the loan, contribution towards the MUTP Projects;

(b) if so, the details thereof;

(c) the term, rates, repayment cost, actual effective cost in Indian rupees of World Bank finance for MRVC, MUTP;

(d) the manner in which the said loan would be refunded; and

(e) the details about the cess to be charged and since when it is likely to be charged along with the ratio and time period thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI BANDARU DATTATRAYA)

(a) to (e): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION NO. 522 BY SHRIKIRIT SOMAIYATO BE ANSWERED IN LOK SABHA ON 20.2.2003 REGARDING WORLD BANK LOAN TO MUTP PROJECTS

(a): Yes, Sir.

(b): The World Bank loan for Mumbai Urban Transport Project (MUTP) comprises a credit component of SDR (Special Drawing Rights) 62.5 million from International Development Agency (IDA) and a loan component of United States Dollars (USD) 463 million from the International Bank for Reconstruction and Development (IBRD). IDA has so far released USD 2.5 million and IBRD has released USD 15 million as initial deposit.

(c): IDA credit is repayable in 35 years with moratorium of 10 years. IBRD loan is repayable in 20 years with a moratorium of 5 years. IDA credit entails service charge at the rate of 0.75% per annum, whereas IBRD loan has a variable interest rate equal to LIBOR (London Inter-Bank Offered Rate) Base Rate plus LIBOR total spread Repayment cost and actual effective cost of the credit and loan will depend on future movement of the LIBOR rate for US Dollar and exchange rate of Rupee with reference to the US Dollar during the term of the credit/ loan.

(d): As Government of India is the borrower for the credit and the loan, it will be repaid out of Government resources. It has also been decided to levy a surcharge on suburban passenger fares in Mumbai as Railways' contribution to the debt servicing including repayment of the credit and loan.

(e): Details of levy of surcharge on suburban passenger fares in Mumbai are under finalisation.